



Department of State

TELEGI

EXCISE

655

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61
ACTION EB-11

INFO OCT-01 AF-10 ARA-16 EUR-25 EA-11 NEA-10 ADP-00
CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10
PA-03 RSC-01 PRS-01 SS-15 USIA-15 OIC-04 COME-00

INT-08 SCEN-02 TRSE-00 RSR-01 /167 W
----- 108845

R 311530Z AUG 73
FM AMEMBASSY ATHENS
TO SECSTATE WASHDC 782
INFO AMEMBASSY DOW
AMEMBASSY BRASILIA
AMEMBASSY BRUSSELS
USMISSION EC BRUSSELS UNN
AMEMBASSY LONDON
AMEMBASSY PARIS
USMISSION OECD PARIS UNN
AMEMBASSY ROME
AMEMBASSY THE HAGUE
AMEMBASSY TOKYO
AMEMBASSY TRIPOLI

DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY af DATE 12/20/82

RDS ☐ or XDS ☐ EXT. DATE

TS AUTH. REASON(S)

ENDORSE EXISTING MARKINGS ☒

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RELEASE DENIED ☒ IN PART

PA or FOI EXEMPTIONS EX. 1, 2, 4, 5, 6, 7, 8, 9

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E.O. 11652: GDS.
TAGS: ENGR, GR, LY
SUBJECT: LIBYAN OIL: NATIONALIZATION
REF: ATHENS 4423, STATE 163502, 166921, 166923

1. MANAGING DIRECTOR HENRY SCHULER OF HUNT INTERNATIONAL
PETROLEUM HAS SPENT THIS WEEK IN ATHENS IN PREPARING GROUNDWORK
FOR FILING SUIT EARLY IN SEPTEMBER AGAINST LATSIS IN PARALLEL
WITH BUT SEPARATE FROM EARLIER SUIT OF BP.

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[REDACTED]

2. ECON COUNSELOR HAD OPPORTUNITY AUGUST 27 AGAIN TO REVIEW LIBYAN NATIONALIZATION WITH UNDER SECRETARY MICHALOPOULOS AND DIRECTOR GENERAL ROUSSOS OF MINISTRY OF FOREIGN AFFAIRS IN LIGHT STATE REFTELS. ALSO INFORMED THEM BUNKER HUNT PLANNED TAKE LEGAL ACTION IN GREEK COURTS AGAINST LATSIS.

3. EMBASSY ASSISTED SCHULER IN ARRANGING MEETING AUGUST 31 WITH DIRECTOR GENERAL PETRATOS OF GREEK NATIONAL PETROLEUM SERVICE. SCHULER REVIEWED ECONOMIC AND COMMERCIAL IMPLICATIONS OF LARG ILLEGAL NATIONALIZATION. PETRATOS AND HIS STAFF POINTED OUT THAT LATSIS IS PRIVATE CITIZEN AND HIS REFINERY EXPORTS ITS PRODUCTION. ALSO NOTED THAT SINCE LATSIS REFINERY LACKS DESULPHURIZING EQUIPMENT, IT HAS TO BLEND LOW-SULPHUR LIBYAN CRUDE WITH HEAVIER-SULPHUR SYRIAN AND OTHER CRUDES IN ORDER MEET ACCEPTABLE PRODUCT MARKETING STANDARDS. ALTHOUGH LATSIS' BASIC REFINERY CONTRACT PROVIDES FOR POSSIBLE ENTRY WITH PRODUCTS INTO GREEK DOMESTIC MARKET ON OCTOBER 14, IT IS GENERALLY EXPECTED THAT HIS REFINERY WILL CONTINUE TO EXPORT MOST IF NOT ALL OF ITS PRODUCTION BOTH BECAUSE OF HIGHER PRICES PREVAILING OUTSIDE GREECE AND BECAUSE OF CERTAIN OUTSTANDING CONDITIONS AND ISSUES WITH GOG WHICH PETRATOS INDICATED LATSIS MAY NOT WANT TO RESOLVE.

4. GREEK OFFICIALS GENERALLY MAINTAIN THAT HUNT-BP DISPUTES WITH LATSIS ARE LEGAL ISSUES BETWEEN CORPORATIONS WHICH PROPERLY SHOULD BE RESOLVED THROUGH COURTS.
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